

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Periodic Reporting
(Proposal One)

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Docket No. RM2015-9

REPLY COMMENTS OF THE GREETING CARD ASSOCIATION

The Greeting Card Association (GCA) files these Reply Comments pursuant to Order No. 2545, for the purpose of endorsing the recommendations made by the Public Representative in her Initial Comments (July 22, 2015).

We agree with both the Postal Service and the Public Representative that the RPW system would be improved by treating ODIS-RPW Forever Stamp data directly rather than as heretofore adjusted.

GCA also concurs in the Public Representative's recommendation that the Commission require allocation of breakage revenue and PIHOP to products. The type of causal relationship used to associate costs with products, as the Public Representative points out (Public Representative Comments, pp. 2-3), is equally suited to associating revenues with products. The reasoning adopted in Order No. 816 in Docket RM2011-11, relating to PIHOP, applies equally well to breakage revenue; in neither case is there a *present* operational association between a quantum of revenue and a corresponding quantum of service rendered. For example, a stamp purchased at time T and not used on a letter by T_1 may, ultimately, be an element of PIHOP or of breakage (if the stamp is lost or destroyed). In both cases, it represents revenue collected in advance of the rendering of service, and in both cases it is possible, and desirable if revenues are to be accurately recorded for rate adjustment and compliance review purposes, to allocate them to products in the manner set out in Order 816.

GCA therefore respectfully urges the Commission (i) to approve the proposal to utilize ODIS-RPW data directly, without a breakage adjustment, but (ii) to require allocation of breakage revenue and PIHOP to products.

August 3, 2015

Respectfully submitted,

GREETING CARD ASSOCIATION

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